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Part of Kennedy Overhaul

C. I. A. Agents Overseas Losing Diplomatic Cloaks

By David Wise

HYANNIS PORT, Mass., July 1.—As part of President Kennedy's overhaul of the Central Intelligence Agency, large numbers of C. I. A. agents are being quietly withdrawn from American embassies overseas, the New York Herald Tribune has learned.

Up to now, C. I. A. agents abroad have enjoyed "diplomatic cover," the cloak-and-dagger phrase for agents operating under the guise of embassy personnel. In fact, however, American ambassadors overseas have no control over such C. I. A. agents, even though they nominally are at-

tached to the State Department. This has led to conflicts and embarrassments in the embassies in the past.

The move does not mean that the overseas C. I. A. personnel will stop operating. But those being withdrawn from "diplomatic cover" will have to find other ways to cloak their activities, according to sources in Washington. Presumably more will now be posing as American business men. In the "dirty tricks" trade this is known as "commercial cover."

The Kennedy administration's action is part of a general effort to change the C. I. A.

and establish clear lines of authority.

Meanwhile, it was understood that the President's decision on whether and how to streamline C. I. A. is coming to a head. In the wake of the Cuban invasion disaster, Mr. Kennedy named Gen. Maxwell D. Taylor to study what might be done to overhaul the intelligence system.

Gen. Taylor, named last week as the President's "military representative" in the White House, reported orally to the Chief Executive—presumably a precaution to avoid "news leaks" about the intelligence survey.

While the Taylor report is super-secret, it can be stated that two broad changes in the intelligence establishment are currently under consideration by the White House.

First is a proposal to merge the Intelligence and Research Division of the State Department with the C. I. A. intelligence-gathering functions into a new agency.

The new agency would be related to the State Department much as in the case of the U. S. Information Agency.

The second proposal would be to take over from the C. I. A. all operational functions, such as its organization of the invasion of Cuba by anti-Castro exiles. One criticism of the C. I. A. has been that intelligence gathering and covert operations should not be conducted by the same agency.

The problem here is to put the operational part of the

C. I. A. if it removed from the agency. One solution would be to assign it to the Pentagon, but there is strong Congressional pressure against this.

In making his decision on these matters, the President is also expected to be guided by the findings of Dr. James R. Killian Jr., who was named by Mr. Kennedy to head a permanent board charged with checking up on the C. I. A. and other American intelligence activities.

Not all the Administration's intelligence activities these days are directed at the Soviet Union. The White House confirmed yesterday that the President, in an extraordinary move, had ordered the F. B. I. to investigate the "leak" of U. S. contingency plans for Berlin to the press. The President's order was first reported yesterday by The Chicago Sun-Times.

Probe Not Confined

The story on Berlin planning appeared in "Newsweek" magazine. However, White House press secretary Pierre Salinger said the F. B. I. probe was not confined to "Newsweek."

Today in Hyannis Port, associate press secretary Andrew T. Hatcher said this did not mean there was a general investigation of news leaks.

"This (Berlin) is the only incident under investigation," he said. "My understanding is that it is confined to what has been termed wilful passing of secret information to persons not authorized to have that information."